

Message Text

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16

ACTION EA-14

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SUBJ: LEAKAGE OF BUDGET RECOMMENDATIONS AND ESTABLISHMENT
OF AUSTRALIAN GROUP OF "PLUMBERS"

1. BEGIN SUMMARY: AUSTRALIAN PRESS HAS CARRIED EXCERPTS FROM SECRET BUDGET PAPER RECOMMENDING CUTS IN ESTABLISHED PROGRAMS IN ORDER TO FINANCE NEW PROGRAMS PROMISED BY LABOR IN 1972 ELECTORAL CAMPAIGN. EXCERPTS ARE EVIDENTLY AUTHENTIC, AND ACTING PRIME MINISTER BARNARD HAS ORDERED INVESTIGATION INTO CIRCUMSTANCES SURROUNDING LEAKS. AUSTRALIAN BUDGET SECURITY IS NOT AS TIGHT AS BRITISH BUDGET SECURITY, AND LEAKS HAVE OCCURRED IN PAST. ESTABLISHMENT OF AUSTRALIAN GROUP OF "PLUMBERS" TO INVESTIGATE LEAKS SUGGESTS THAT THE XEROX ERA HAS PRODUCED ITS FIRST CONSIDERABLE FLAP IN AUSTRALIA. END SUMMARY.

2. DURING PAST WEEK AUSTRALIAN PRESS HAS PUBLISHED EXCERPTS AND, IN SOME CASES APPARENTLY AN AUTHENTIC TEXT OF THE REPORT OF THE COOMBS TASK FORCE ON POSSIBLE REDUCTIONS IN EXPENDITURE OF A VARIETY OF AUSTRALIAN GOVERNMENT DEPARTMENTS. THE TASK FORCE, ESTABLISHED BY THE PRIME MINISTER AND HEADED BY HIS LONG-TIME FRIEND AND ADVISER, DR. H.C. COOMBS, WAS GIVEN THE RESPONSIBILITY OF PARING EXPENDITURE ON EXISTING PROGRAMS IN

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ORDER TO MAKE IT POSSIBLE FOR THE LABOR GOVERNMENT TO

UNDERTAKE SOME OF THE AMBITIOUS AND EXPENSIVE NEW PROGRAMS IT PROMISED IN THE 1972 ELECTION CAMPAIGN. LIBERAL OPPOSITION LEADER SNEDDEN ON AUG. 3 PUBLICLY CALLED FOR OFFICIAL PUBLICATION OF THE COOMBS TASK FORCE REPORT.

3. ACTING PRIME MINISTER BARNARD HAS DIRECTED PETER BAILEY, DEPUTY SECRETARY OF THE DEPARTMENT OF THE PRIME MINISTER AND OF THE CABINET, TO INVESTIGATE INTO THE MANNER AND CIRCUMSTANCES OF THE LEAKAGE OF THE COOMBS REPORT. THE PRESS REPORTS AUG 8 THAT TRACING THE LEAK IS STILL CONTINUING BUT THAT THE COMMONWEALTH POLICE HAVE NOT BEEN CALLED IN, AS THE GOVERNMENT SO FAR REGARDS THE LEAK AS AN INTERNAL MATTER WITHIN TOP LEVELS OF THE GOVERNMENT. THE GOVERNMENT HAD ORIGINALLY INTENDED TO PUBLISH THE COOMBS REPORT AFTER THE TREASURER, FRANK CREAN, PRESENTED HIS BUDGET TO PARLIAMENT ON AUG 21. IN TRACING THE LEAKAGE BARNARD HAD ORIGINALLY CALLED IN ALL COPIES OF THE COOMBS REPORT, BUT THE PRESS HAS INDICATED THAT XEROX COPIES HAD BEEN MADE, AND THIS LINE OF INQUIRY WAS NOT VERY PROMISING.

4. COMMENT: THE INCIDENT HAS TWO ASPECTS OF PARTICULAR INTEREST TO AUSTRALIA. ON THE ONE HAND, THE LABOR GOVERNMENT HAD MADE A BASIC POINT IN ITS ELECTORAL CAMPAIGN THAT IT WANTED TO MOVE AS QUICKLY AS POSSIBLE TOWARDS OPEN GOVERNMENT. AS AUSTRALIAN FINANCIAL REVIEW ARTICLE OF AUG 8 POINTS OUT, LEAKAGE OF COOMBS REPORT IS A MANIFESTATION OF OPEN GOVERNMENT, WITH INDIVIDUAL OFFICIAL EVIDENTLY HAVING DECIDED, FOR HIS OWN REASONS, TO RELEASE TO PRESS. THERE MANY AUSTRALIAN SENIOR CIVIL SERVANTS WHO KNOW OF AND MAY HAVE HAD ACCESS TO THE COOMBS REPORT AND WHO HAVE EVERY REASON TO LEAK MATERIAL TO THE PRESS IN ORDER TO PRESERVE PROGRAMS IN WHICH THEY HAVE PROFESSIONAL OR PERSONAL INTEREST. THIS IS PARTICULARLY TRUE OF DEFENSE SECTOR, WHICH IS EXPECTED TO TAKE HEAVY REDUCTIONS.

5. SECOND POINT IS THAT AUSTRALIAN BUDGETARY SECURITY IS NOWHERE NEAR AS TIGHT AS BRITISH BUDGETARY SECURITY, LIMITED OFFICIAL USE

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THOUGH THERE IS A PRACTICE OF GENERALLY WITHHOLDING DETAILS OF THE BUDGET UNTIL IT IS PRESENTED TO PARLIAMENT. HOWEVER, LIBERAL-COUNTRY GOVERNMENT LEAKED NUMEROUS, PRECISE DETAILS OF BUDGET PRIOR TO PRESENTATION IN AUGUST, 1972, AND THESE WERE FREELY REPORTED IN PRESS AND ON TV WITHOUT ATTRIBUTION.

6. AUSTRALIAN MEDIA HAVE GIVEN IMMENSE COVERAGE TO

WATERGATE INVESTIGATIONS IN U.S., WITH MANY AUSTRALIANS EXPRESSING ASTONISHMENT TO US THAT SUCH INCIDENTS COULD OCCUR. THE XEROX MACHINE IS IN WIDE USE IN AUSTRALIA, AND APPOINTMENT OF AUSTRALIAN "PLUMBERS" TO LOOK INTO SECURITY LEAKS MAY BE A SIGN OF THE TIMES.
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